EMAKHAZENI LOCAL MUNICIPALITY

FINANCIAL STATEMENTS

30 JUNE 2007

I am responsible for the preparation of these financial statements, which are set out on pages 1 to 26, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.These financial statements have not been audited

I certify that the salaries, allowances and benefits of Councilors as disclosed in note 12 & 13 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Revenue of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with the Act.

_____ _____

Municipal Manager Date

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GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE

Ms. L. Mohlala:	Chairperson Finance Portfolio
Mr. A.M. Mbethe:	Chairperson Technical Services
Ms. C. Motau:	Chairperson Corporate Services

GRADING OF LOCAL AUTHORITY

Grade	2

AUDITORS

Auditor-General	Nelspruit Office

BANKERS

First National bank
620 281 95510
Belfast, 1100

REGISTERED OFFICE

25 Scheepers Street	PO Box 17
Belfast, 1100	Belfast, 1100
	(013) 253 1121

MUNICIPAL MANAGER

O.N Nkosi

CHIEF FINANCIAL OFFICER

B.L Mahlangu

COUNCIL MEMBERS

Councillor	Ward	Designation
Ms. L. Mohlala	1	Executive Mayor
Mr. X.S Ngwenya	6	Speaker
Mr. L.S. Meyer	1	Member
Mr. F.G. Sibanyoni	1	Member
Ms. A.A. Botha	7	Member
Ms. N.A. Mashele	5	Member
Mr. J.M. Mabila	2	Member
Ms. E.S. Radebe	3	Member
Ms. T.I. Soko	4	Member
Mr. M.U. Hadebe	4	Member
Mr. T.E. Mahlangu	6	Member
Mr. A.M. Mbethe	7	Member of Mayoral Committee
Ms. C. Motau	3	Member of Mayoral Committee

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 13 to 26 were received by the Municipal Manager on 31 August 2007 and will be presented to and approved by the Council.

MUNICIPAL MANAGER

1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E. The overall operating results for the year ended 30 June 2007 are as follows:

INCOME	ACTUAL		VARIANCE
	2006	2007	2006/2007
	R	R	%
Unappropriated Surplus - beginning of year	21 593 812.00	22 928 554.21	6.18%
Operating (Deficit)/Surplus for the year	1 334 742.21	-5 873 019.00	-540%
Unappropriated Surplus - end of year	22 928 554.21	19 483 637.00	-15.0%

DETAILED INCOME STATEMENT ANALYSIS APPENDIX E	ACTUAL INCOME	ACTUAL EXPENDITURE	SURPLUS/ (DEFICIT)	BUDGET SURPLUS/ (DEFICIT)	NETT MOVEMENT ON BUDGET
	2007	2007	2007	2007	2007
	R	R	R	R	R
RATES & GENERAL SERVICES	35 515 995.14	36 762 246.86	-1 246 251.79	-3 701 109.00	-2 454 857.21
TRADING SERVICES	22 771 924.50	15 652 654.00	7 119 271.00	3 701 109.00	-3 418 162.00
TOTAL	58 287 919.64	52 414 900.86	5 873 019.21	0.00	-5 873 019.21

ANALYSIS OF OPERATING INCOME AND EXPENDITURE APPENDIX D	ACTUAL 2007	BUDGET 2007	VARIANCE %
INCOME	58 287 920.00	71 102 783.00	81.98
EXPENDITURE	52 414 901.05	71 102 783.00	73.72

2. CAPITAL EXPENDITURE

Capital Expenditure on fixed assets during the year amounted to R8 770 550 (R6,334,432. 2006)

	ACTUAL 2007 R	BUDGET 2007 R	ACTUAL 2006 R	VARIANCE BUDGET/ACTUAL
Capital Expenditure	8 770 550	14 476 352	6 334 432	39%
	8 770 550	**14 476 352**	**6 334 432**	

The resources used to finance the fixed assets were as follows:

	ACTUAL 2007 R	BUDGET 2007 R	ACTUAL 2006 R	VARIANCE BUDGET/ACTUAL
Contribution from Income	1 349 372	7 369 710	2 146 767	55%
Loans	3 234 543	2 920 000		
Donations	0	0	4 300	
	4 583 915	**10 289 710**	**2 151 067**	

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding amounted to R3 182 403 (VAT excl) as at 30 June 2007 (R 36 900 in 2006) as set out in Appendix B. New loans from Wesbank were taken up as per eppendix B

Grants and Subsidies totaling R18 829 178.00 (R11,071,376 in 2006) were received during the year.

Investments on 30 June 2007 amounted to R 2 299 663 (R10,514,999 in 2006). Investments were reduced by R 8 215 336

More information regarding loans and investments is disclosed in notes 5 as well as Appendix B to the financial statements.

4. FUNDS AND RESERVES

More information regarding the funds and reserves is disclosed in notes 1 and 2 as well as Appendix A to the financial statements.

5. PROVISIONS

The following provisions were increased in the 2006/07 financial year.

Provision Leave Pay : R1 679 696
Provision for Bad Debts : R15 023 150

6. EXPRESSION OF APPRECIATION

I am grateful to the Executive Mayor, Members of the Executive Committee, Councillors, the Municipal Manager, Heads of Department, National Treasury and the staff of the Finance Department for their support and assistance in the preparation of these financial statements.

7. POST BALANCE SHEET EVENTS

No material matters in this regard can be reported.

MR. BL MAHLANGU
DIRECTOR OF FINANCIAL SERVICES

ACCOUNTING POLICIES

ACCOUNTING POLICIES

BALANCE SHEET
AS AT
30 JUNE 2007

	Note	30-06-2006	30-06-2007
		R	R
CAPITAL EMPLOYED:			
Funds & Reserves		12 603 999	12 619 764
Statutory funds	1	11 653 529	11 669 294
Reserves	2	950 470	950 470
(Accumulated Deficit) Unappropriated Surplus	11	22 928 555	19 483 637
		35 532 554	32 103 401
Long Term Liabilities	3	-	2 193 121
Consumer Deposits	9	957 218	988 959
		36 489 772	**35 285 481**
EMPLOYMENT OF CAPITAL:			
Fixed Assets	4	1 029 864	4 212 002
Current Assets	20	-	229 575
		1 029 864	4 441 577
NET CURRENT ASSETS:		35 459 908	30 843 904
Current Assets:		47 781 186	53 450 325
Debtors	6	37 261 527	51 145 827
Cash on hand		4 660	4 835
Short Term Investments	5	10 514 999	2 299 663
Bank Account		-	-
Current Liabilities:		(12 321 278)	(22 606 421)
Provisions	7	1 726 902	1 679 696
Short-term portion of Long Term Liabilities	3	36 900	989 281
Cashbook balance		520 232	1 744 371
Creditors	8	10 037 244	18 193 073
		36 489 772	**35 285 481**

INCOME STATEMENT
for the year ended
30 JUNE 2007

2005/06 ACTUAL INCOME	2005/06 ACTUAL EXPENDITURE	2005/06 SURPLUS/ (DEFICIT)		2006/07 ACTUAL INCOME	2006/07 ACTUAL EXPENDITURE	2006/07 SURPLUS/ (DEFICIT)	2006/07 BUDGET SURPLUS/ (DEFICIT)
R	R	R		R	R	R	R
40 265 384	39 265 605	999 779	**RATES & GENERAL SERVICES**	35 515 995	36 762 247	(1 246 252)	(3 701 109)
33 772 030	32 264 294	1 507 736	Community Services	27 323 691	27 218 277	105 414	(1 409 964)
466 053	2 585 743	(2 119 689)	Susidised Services	397 078	3 372 131	(2 975 053)	(2 919 277)
6 027 301	4 415 568	1 611 732	Economic Services	7 795 226	6 171 839	1 623 387	628 132
-	-	-	Housing Services	-	-	-	-
15 334 275	14 757 515	576 761	Trading Services	22 771 925	15 652 654	7 119 271	3 701 109
55 599 660	**54 023 120**	**1 576 540**	**TOTAL**	**58 287 920**	**52 414 901**	**5 873 019**	**-**
		(241 798)	**Appropriations for the year (refer to note 11)**			(9 317 936)	
		1 334 742	**Net Surplus for the year/ (Deficit for the year)**			**(3 444 917)**	
		21 593 812	**Unappropriated Surplus/ (Deficit) at the beginning of**			22 928 554	
		22 928 554	**Unappropriated Surplus/ (Deficit) at the end of the**			**19 483 637**	

CASHFLOW STATEMENT
for the year ended
30 JUNE 2007

		30-06-2006	30-06-2007
Cash retained from operations:		**2 986 194**	**(5 552 802)**
Cash generated by operations	**14**	5 774 788	(355 116)
Investment income	**10**	92 580	544 867
(Increase)/Decrease in operating capital	**15**	(2 847 102)	(5 696 730)
		3 020 266	**(5 506 979)**
Less:			
Interest paid	**10**	(34 072)	(45 823)
Cash Utilised in Investment Operations - Fixed Assets	**4**	(2 146 767)	(4 583 916)
		839 427	**(10 136 718)**
Cash effect of financing operations:			
Increase/(Decrease) in long term loans	**16**	(84 644)	3 145 521
(Increase)/Decrease in cash investments	**17**	358 665	8 215 336
(Increase)/Decrease in cash	**18**	565 406	(1 224 138)
		839 427	**10 136 718**

	30-06-2006	30-06-2007
1. ACCUMULATED FUNDS:		
Capital Development Fund	7 940 577	7 956 342
Land Trust Fund	3 712 952	3 712 952
(Refer Appendix A)	**11 653 529**	**11 669 294**
2. RESERVES		
Maintenance	709 699	709 699
MHR Fly Fishing Park	240 771	240 771
(Refer Appendix A)	**950 470**	**950 470**
3. LONG TERM LIABILITIES:		
Annuity Loans	36 900	0
Loan Fund	0	3 182 402
	36 900	**3 182 402**
Less: Short-term portion	36 900	989 281
	0	**2 193 121**
(Refer Appendix B)		
4. FIXED ASSETS:		
Fixed assets at the beginning of the year	81 715 430	88 049 865
Capital expenditure during the year	6 334 431	8 770 550
Contribution ex operating income	2 146 767	1 349 372
Funded through loans	4 183 364	3 234 544
General Capital-ward 2/District: Nkangala	4 300	4 186 634
Less:		
Assets written off, transferred or disposed of during the year	0	0
TOTAL FIXED ASSETS	**88 049 861**	**96 820 415**
Less:		
Loans redeemed and other capital receipts	(87 019 998)	(92 608 413)
Unrealised housing charges	0	0
NET FIXED ASSETS	**1 029 863**	**4 212 002**
(Refer to Appendix C)		
5. SHORT TERM INVESTMENTS:		
Unlisted	0	0
External		
Inv FNB 62076419508		
Opening balance		263 007
Closing balance		263 007
Inv FNB 674006889065		
Opening balance		45 091
Closing balance		1 810 230
Inv FNB 61165004600		
Opening balance		1 766 007
Closing balance		226 426
TOTAL INVESTMENTS	**10 514 999**	**2 299 663**

Local Authorities are required to invest funds which are not immediately required with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty rate to meet commitments

6. DEBTORS:		
Consumer Debtors	42 375 271	48 305 077
Sundry Debtors	242 449	3 971 135
Grants spent not yet received	2 490 631	7 175 827
Less: Provision for bad debts	(10 241 885)	(15 023 150)
VAT	2 395 061	6 716 938
	37 261 527	**51 145 827**

7. PROVISIONS:

Leave	1 463 749	1 679 696
General Valuation	44 322	0
Election Costs	21 335	0
Audit Fees	197 497	0
	1 726 903	**1 679 696**

8. CREDITORS:

Trade Creditors:	1 538 226	2 518 867
Unspent Grants	4 373 938	4 283 612
Drought Relief		308 363
People's Housing Project		300 000
Dullstroom/Sakhelwe		1 144 707
LED: 147 Waterval Boven		9 294
LED: 089 Dullstroom		433 843
Informal Market: Mach		21 185
Siyathuthuka: Housing		867 178
LED: 091 Fly Fishing		540 149
Transional Grant 2		23 386
Municipal Support		211 532
Draught Relief Funds		306 648
Upgrading Emthonjeni		11 341
Upgrading Siyathuthuka		105 985
Debtors received in Advance	1 421 408	0
VAT	1 201 739	8 399 257
Unallocated receipts	1 409 434	2 094 781
Sundry	92 500	896 556
	10 037 245	**18 193 073**

9. CONSUMER DEPOSITS

Electricity & Water	957 217	988 959
Sundry Deposits	0 0 0	0
	957 217	**988 959**

10. FINANCING TRANSACTIONS:

Interest : Earned (External)	92 580	544 867
Interest : Paid (External)	(34 072)	(45 823)
	58 508	**499 044**

11. APPROPRIATIONS:

Appropriation Account:

Unappropriated Surplus at the beginning of the year	21 593 812	22 928 554
Operating Surplus/(Defecit) for the year	1 576 540	5 873 019
Prior year adjustment	(241 798)	(9 317 936)
	22 928 554	**19 483 637**

12. COUNCILLORS REMUNERATION

Mayor's allowance	89 149	492 407
Full-time Councillors	133 724	1 138 473
Councillor's allowance	255 312	1 172 718
(2006 Pension fund, Medical Aid, Group Life, Subsidies and trave contribution)		
(2007 Councillor's Pension Fund Contributions)	467 132	213 729
	945 317	**3 017 327**

Actual increase equals 6%. Recommended increase of 6%.

13. REMUNERATION OF SECTION 57 EMPLOYEES

	Municipal Manager	Chief Finance Officer	Other Section 57 Managers
Salaries#	317 375	221 123	**506 999**
Contributions to Pension, UIF and Medical Aid Funds#	160 236	144 218	**214 725**
Motor and Travelling allowances#	117 618	148 478	**277 702**
	595 229	**513 819**	**999 426**

Inclusive of Auditor's Remuneration

14. CASH GENERATED BY OPERATIONS:

Surplus / (Deficit) for the year	**1 576 540**	**5 873 019**
Adjusted for:		
Statutory funds provisions and reserves	852 863	(1 192 420)
Contributions to bad debt provision	3 645 691	4 781 265
Interest income	(92 580)	(544 867)
Prior year adjustment	(241 798)	(9 317 936)
Interest paid	34 072	45 823
	5 774 788	**(355 116)**

15. Operating surplus before working capital changes		
(Increase) / Decrease in Debtors	112 765	(13 884 300)
(Increase) / Decrease in other Debtors	0	0
(Decrease) / Increase in conditional grants and receipts	0	0
(Decrease) /Increase in Deposits	119 647	31 741
(Decrease) /Increase in Creditors	(3 079 514)	8 155 829
	(2 847 102)	**(5 696 730)**
Cash Generated by Operations	**2 927 687**	**(6 051 845)**
16. INCREASE/(DECREASE) IN LONG TERM LOANS (EXTERNAL):		
Loans Raised	0	3 234 543
Loans Repaid	(84 644)	(89 022)
(Refer to Appendix B)	**(84 644)**	**3 145 521**
17. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS:		
Investments Made	358 665	8 215 336
	358 665	**8 215 336**
18. (INCREASE)/DECREASE IN CASH:		
Cash balance at the beginning of the year	(45 174)	(520 232)
Less: Cash balance at the end of the year	(520 232)	(1 744 371)
	(565 406)	**1 224 139**
19. CAPITAL DEVELOPMENT FUND		
Outstanding advances to borrowing services:-		
Accumulated Fund	7 940 577	7 956 342
Less: External Investments	(6 127 195)	(6 383 855)
	1 813 382	**1 572 487**
(Refer to Appendix A and B for more detail)		
20. SHORT TERM ASSETS		
Current Stock		229 575
		229 575
21. BANK CASH AND OVERDRAFT BALANCES		
Cheque account (Primary Bank Account)		
First National Bank - Belfast		
Account nr: 62028195510		
Opening balance at the beginning of the year		(520 232)
Closing balance at the end of the year		**(1 744 371)**
Bank Statement balance at beginning of the year		235 186
Bank Statement balance at the end of the year		**339 494**
PETTY CASH		
Balance at beginning of the year		4 660
Balance at the end of the year		**4 835**
22. SUMMARY OF DEBTORS BY CUSTOMER CLASSIFICATION		
Current		2 144 868
30 days		(1 260 647)
60 days		2 234 057
90 days		1 162 128
120 days		1 012 332
150 days and over		43 014 537
Total Consumer debtors		**48 307 275**
23. GOVERNMENT GRANTS AND SUBSIDIES		
Municipal Systems Information Grant (MSIG)		734 000
Financial Management Grant (FMG)		500 000
National Energy Regulator Grant (NER)		3 000 000
Municipal Infrastructor Grant (MIG)		3 552 128
Total Grants received excluding Equitable Share		**7 786 128**
24. ADITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
AUDIT FEES		0
Opening balance		1 345 293
Current year		(1 345 293)
Amount paid current year		0
Amount paid previous year		
Total		**0**
TAXES, LEVIES, DUTIES, PENSION AND MEDICAL AID CONTRIBUTION		
No amounts oustanding can be reported of on 30 June 2007.		
CONTIGENT LIABILITY		
No contigent liabilities can be reported on 30 June 2007.		
CAPITAL COMMITMENTS		
No capital commitments can be reported on 30 June 2007.		
25. IRREGULAR EXPENDITURE		
For the undermentioned service providers all the correct supply chain management procedures were adhered to except that no formal contracts were entered into, and between the contracting parties		
BTW Consulting		215 175
Sitasive Trading		146 668
ZMC Projects		284 325
Malesela T & D		2 668 208
Lidwaba Design & Mangement		165 573
Denocro Pumps Pty		337 440
Total		**3 817 389**

APPENDIX A

EMAKHAZENI LOCAL MUNICIPALITY
ACCUMULATED FUNDS, RESERVES, PROVISIONS & TRUST FUNDS
30 JUNE 2007

	BALANCE AT 2006-06-30	CONTRIBU-TIONS DURING THE YEAR	INTEREST ON INVESTMENT	OTHER INCOME	OPERATING EXPENDITURE DURING THE YEAR	CAPITAL EXPENDITURE DURING THE YEAR	BALANCE AT 2007-06-30
	R	R	R	R	R	R	R
1. **Statutory Funds**							
Capital Development Fund	7 940 577	15 765	-	-	-	-	7 956 342
Land Trust Fund	3 712 952	-	-	-	-	-	3 712 952
							11 669 294
Reserve Funds							
Maintenance Electricity	83 025	-	-	-	-	-	83 025
Maintenance Water	283 821	-		-	-	-	283 821
Maintenance Sewerage	142 901	-		-	-	-	142 901
Maintenance General	199 952	-	-	-	-	-	199 952
MHR Fly Fishing Park	240 771	-	-	-	-	-	240 771
Provisions							**950 470**
Provision for Bad Debts	10 241 885	4 781 265	-	-	-	-	15 023 150
Provision for Leave Pay	1 463 749	303 989	-	-	-	88 042	1 679 696
General Valuation	44 322	-	-	-	44 322		-
Election Expenditures	21 335	-	-	-	21 335	-	-
Audit Fees	197 497	-	-	-	197 497	-	-
							16 702 846
Sub-Total	**24 572 786**	**5 101 020**	**-**	**-**	**263 154**	**88 042**	**29 322 610**

APPENDIX B

EMAKHAZENI LOCAL MUNICIPALITY
EXTERNAL LOANS AND INTERNAL ADVANCES
30 JUNE 2007

Date Issued	Current Fin. Institution	Interest Rate	Original Amount	Maturity / Redeemable	Balance at 30 June 2006	Received during the year	Redeemed or Written off during the year	Balance at 30 June 2007
External Loans					**R**	**R**	**R**	**R**
03 May 2007	WESBANK: POB00041A	12.50	151 500.00	02 May 2012	-	172 710.00	2 086.96	170 623.04
04 May 2007	WESBANK: POB00042X	12.50	151 500.00	03 May 2012	-	172 710.00	2 085.72	170 624.28
16 April 2007	WESBANK: POB00034X	12.50	450 000.00	10 April 2012	-	513 000.00	12 605.87	500 394.13
16 April 2007	WESBANK: POB00033A	12.50	450 000.00	10 April 2012	-	513 000.00	12 605.87	500 394.13
16 April 2007	WESBANK: POB00032B	12.50	338 000.00	10 April 2012	-	385 320.00	9 459.41	375 860.59
16 April 2007	WESBANK: POB00031E	12.50	338 000.00	10 April 2012	-	385 320.00	9 459.41	375 860.59
16 April 2007	WESBANK: POB00060T	12.50	559 100.00	10 April 2012	-	637 374.00	-	637 374.00
17 May 2007	WESBANK: POB00046L	12.50	614 789.00	10 May 2012	-	700 859.46	8 588.11	692 271.35
04 May 2007	WESBANK:POB00044T	12.50	90 827.00	03 May 2012	-	103 542.78	1 263.77	102 279.01
04 May 2007	WESBANK: P0B00045S	12.50	90 827.00	03 May 2012	-	103 542.78	1 263.77	102 279.01
	INCA (VAT excl prior year)		30 284.59	31 July 2006	1 684	-	1 684.27	-
01 July 1993	DBSA - 13108 (VAT excl prior ye	15.26	70 000.00	31 July 2006	35 216	-	35 216.16	-
Total Vat inclusive:					**36 900**	**3 687 379**	**96 319**	**3 627 960**
VAT					**-**	**452 836**	**7 297**	**445 557**
Total Vat exclusive:					**36 900**	**3 234 543**	**89 022**	**3 182 403**

APPENDIX C

EMAKHAZENI LOCAL MUNICIPALITY
ANALYSIS OF FIXED ASSETS
30 JUNE 2007

Expenditure 2006	SERVICE	Budget 2006/2007	Balance at 30-06-2006	Expenditure 2006/2007	Written off, transferred or disposed of during the year	Balance at 30-06-2007
2 643 798	**RATES & GENERAL SERVICES:**	**11 352 606**	**56 461 005**	**5 772 540**	**-**	**62 233 545**
1 169 787	**COMMUNITY SERVICES:**	8 585 190	29 117 550	4 331 234	-	33 448 784
-	Assessment	-	-	-	-	-
41 010	Health Services	2 659	105 798	1 286	-	107 084
-	Forestry	-	12 500	-	-	12 500
-	Public Works	300 000	20 933 953	303 000	-	21 236 953
196 013	Management Services	59 350	339 738	51 562	-	391 300
639 632	Council's General	7 132 611	5 422 968	1 119 806	-	6 542 774
150 795	Planning, Environment & Housing	925 971	438 444	925 971	-	1 364 415
-	Economic and Social Services	-	17 568	1 775 436	-	1 793 004
74 765	Municipal Manager	67 599	123 474	62 441	-	185 915
67 572	Finances/Treasurer	97 000	532 908	91 732	-	624 640
-	Town Clerk	-	480	-	-	480
-	Town Estate	-	628 034	-	-	628 034
-	Workshop	-	368 805	-	-	368 805
-	Cemetery	-	190 972	-	-	190 972
-	Registration Authority	-	-	-	-	-
-	Stores	-	1 908	-	-	1 908
489 415	**SUBSIDIZED SERVICES:**	1 040 498	7 949 180	140 498	-	8 089 678
-	Market	-	451 116	-	-	451 116
-	Library	-	42 118	-	-	42 118
-	Fire Protection	-	15 777	-	-	15 777
-	Traffic	140 498	272 732	140 498	-	413 230
2 268	Civil Building	-	4 379 647	-	-	4 379 647
-	Abbatoir	-	-	-	-	-
421 347	Sport & Recreation	-	2 528 069	-	-	2 528 069
65 800	Parks & Pavements	900 000	194 874	-	-	194 874
-	Swimming Pool	-	64 847	-	-	64 847

APPENDIX C

Expenditure 2006	SERVICE	Budget 2006/2007	Balance at 30-06-2006	Expenditure 2006/2007	Written off, transferred or disposed of during the year	Balance at 30-06-2006
984 596	**ECONOMICAL SERVICES:**	**1 726 919**	**19 394 275**	**1 300 808**	**-**	**20 695 083**
-	Cleansing	800 000	384 478	559 100	-	943 578
-	Licencing	-	-	-	-	-
-	Holiday Resort	-	-	-	-	-
984 596	Sewerage	926 919	19 009 797	741 708	-	19 751 505
3 690 634	**TRADING SERVICES:**	**3 123 746**	**31 588 860**	**2 998 010**	**-**	**34 586 870**
1 064 009	Electricity	120 000	15 886 823		-	15 886 823
2 626 626	Water	3 003 746	15 702 037	2 998 010		18 700 047
-	**HOUSING:**	**-**	**-**	**-**	**-**	**-**
-	Housing	-	-	-	-	-
6 334 432	**TOTAL FIXED ASSETS**	**14 476 352**	**88 049 865**	**8 770 550**	**-**	**96 820 415**
	LOANS REDEEMED AND OTHER CAPITAL		**87 019 997**	**5 588 415**	**-**	**92 608 413**
	RECEIPTS:					
			87 019 997	**5 588 415**	**-**	**92 608 413**
	Loans redeemed & Advances		3 138 923	52 410	-	3 191 333
	Contribution ex operating income		9 868 376	1 349 372	-	11 217 748
	General Capital-ward 2/District: Nkangala		105 557	4 186 634	-	4 292 191
	General Capital		68 369 857	-	-	68 369 857
	Donations		5 537 284	-	-	5 537 284
						-
	NET FIXED ASSETS		**1 029 868**	**3 182 135**	**-**	**4 212 002**

APPENDIX D

EMAKHAZENI LOCAL MUNICIPALITY
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED
30 JUNE 2007

2006 ACTUAL R		2007 ACTUAL R	2007 BUDGET R
	INCOME		
11 071 376	Grants and subsidies	18 829 178	16 939 794
7 380 085	Assessment Rates	6 515 808	7 744 348
10 232 479.81	Sale of Electricity	12 899 888	12 795 448
4 917 167.56	Sale of Water	6 507 489	5 265 161
2 706 996	Refuse Removal Services	3 646 228	3 238 158
3 273 240	Sewerage Services	4 102 779	3 751 092
16 018 315	Other Income	5 786 550	21 368 782
55 599 660		**58 287 920**	**71 102 783**
	EXPENDITURE		
19 627 421	Wages and allowances	23 227 672	22 364 136
24 151 808	**General Expenses:**	24 787 189	37 397 744
-	* Bulk water purchases	-	-
8 922 777	* Bulk electricity purchases	6 999 134	8 414 860
15 229 030	* Other general expenses	17 788 055	28 982 884
-	General Expenses not classified	-	-
2 793 318	Repairs and maintenance	3 004 845	3 421 651
93 164	Capital Charges	45 823	549 542
2 146 767	Contributions to Fixed Assets	1 349 372	7 369 710
5 210 642	Contributions to Funds	-	-
54 023 120	**Gross Expenditure**	**52 414 901**	**71 102 783**
-	Less: Amounts charged out	-	-
54 023 120	**Net Expenditure**	**52 414 901**	**71 102 783**

APPENDIX E

EMAKHAZENI LOCAL MUNICIPALITY
DETAILED INCOME STATEMENT
for the year ended
30 JUNE 2007

2006 ACTUAL INCOME R	2006 ACTUAL EXPENDITURE R	(DEFICIT) R		2006/07 ACTUAL INCOME R	2006/07 ACTUAL EXPENDITURE R	2006/07 SURPLUS/ (DEFICIT) R	2006/07 BUDGET SURPLUS/ (DEFICIT) R
40 265 384	**39 265 605**	**999 779**	**RATES & GENERAL SERVICES**	**35 515 995**	**36 762 247**	**(1 246 252)**	**(3 701 109)**
33 772 030	**32 264 294**	**1 507 736**	**COMMUNITY SERVICES**	**27 323 691**	**27 218 277**	**105 414**	**(1 409 964)**
7 380 085	-	7 380 085	Assessment Rates	6 515 808	-	6 515 808	7 744 348
20 801	35 396	(14 596)	Cemetry	26 222	175 670	(149 448)	(227 045)
435 000	185 001	249 999	Forestry	-	67 620	(67 620)	(299 749)
4 059	589 597	(585 538)	Social Development	5 626	616 518	(610 892)	(954 117)
210 863	1 175 515	(964 652)	Health Services	427 000	1 629 268	(1 202 268)	(1 640 646)
918 103	4 839 275	(3 921 173)	Public Works	2 818 068	5 172 448	(2 354 380)	(5 483 749)
-	531 186	(531 186)	Urban Development	-	254 547	(254 547)	(678 531)
907 764	7 194 226	(6 286 461)	Council's General *	417 193	6 030 905	(5 613 712)	(11 011 721)
-	3 145 211	(3 145 211)	Administration / Management Services	-	2 998 116	(2 998 116)	(3 598 605)
11 071 386	1 882 713	9 188 673	Municipal Manager	13 124 540	3 143 828	9 980 712	10 537 454
320 110	3 688 748	(3 368 638)	Finance / Treasurer Finance	651 256	4 309 792	(3 658 535)	(3 748 413)
12 503 858	8 830 687	3 673 172	Traffic & Licencing	3 337 978	2 479 578	858 400	8 281 950
-	166 738	(166 738)	Workshop	-	339 461	(339 461)	(287 882)
-	-	-	Town Secretary	-	-	-	-
-	-	-	Stores	-	525	(525)	(43 258)
466 053	**2 585 743**	**(2 119 689)**	**SUBSIDISED SERVICES**	**397 078**	**3 372 131**	**(2 975 053)**	**(2 919 277)**
-	-	-		-	-	-	-
11 211	368 751	(357 541)	Library	14 351	320 712	(306 361)	(403 030)
(1 711)	74 587	(76 298)	Fire Services	-	193 420	(193 420)	(215 030)
455 088	307 677	147 411	Civil Buildings	381 459	601 336	(219 877)	55 237
628	10 973	(10 345)	Swimming Pool	165	17 717	(17 552)	(57 433)
838	1 823 755	(1 822 917)	Parks & Pavements & Grounds	1 103	2 238 947	(2 237 844)	(2 299 021)

APPENDIX E

2006 ACTUAL INCOME R	2006 ACTUAL EXPENDITURE R	2006 SURPLUS/ (DEFICIT) R		2007 ACTUAL INCOME R	2007 ACTUAL EXPENDITURE R	2007 SURPLUS/ (DEFICIT) R	2007 BUDGET SURPLUS/ (DEFICIT) R
6 027 301	**4 415 568**	**1 611 732**	**ECONOMICAL SERVICES**	**7 795 226**	**6 171 839**	**1 623 387**	**628 132**
3 283 700	1 974 504	1 309 196	Sewerage	4 117 088	2 708 082	1 409 006	810 067
35 739	223 252	(187 512)	Parks Chalets	30 860	175 948	(145 088)	(175 198)
2 707 862	2 217 813	490 049	Cleansing Service	3 647 278	3 287 809	359 469	(6 737)
-	**-**	**-**	**HOUSING SERVICES**	**-**	**-**	**-**	**-**
-	-	-	Housing	-	-	-	-
15 334 275	**14 757 515**	**576 761**	**TRADING SERVICES**	**22 771 925**	**15 652 654**	**7 119 271**	**3 701 109**
10 345 666	12 104 799	(1 759 132)	Electricity	16 172 511	12 536 711	3 635 799	1 872 502
4 988 609	2 652 716	2 335 893	Water	6 599 414	3 115 943	3 483 471	1 828 607
55 599 660	**54 023 120**	**1 576 540**	**TOTAL**	**58 287 920**	**52 414 901**	**5 873 019**	**-**
		(241 798)	Appropriations for the year			(9 317 936)	
		1 334 742	Net Surplus / (Deficit) for the year			**(3 444 917)**	
		21 593 812	Unappropriated Surplus / (Deficit) at the beginning of the year			22 928 554	
		22 928 554	Unappropriated Surplus / (Deficit) at the end of the year			**19 483 637**	

* Inclusive of Disaster Fund expenses & Upgrade MM Office (921/600750 & 921/600760)

EMAKHAZENI LOCAL MUNICIPALITY
for the year ended
30 JUNE 2007

APPENDIX F

STATISTICAL INFORMATION	2006	2007
ELECTRICITY		
Number of consumers (Commercial & Residential)	8 269	7 806
Units bought (''000 kWh) per annum	26 913 122	39 403 861
Cost per unit bought ®	0.35c	0.23c
Units generated by municipality ('000 kWh) per annum	0	0
Cost per unit generated ®	0	0
Units sold	22 238 720	22 701 897
Cost per unit sold	0.87c	0.57c
Units lost in distribution ('000 kWh) per annum	0	0
Units distributed as a free basic service ('000 kWh) per annum	2 695 580	677 240
Number of pre-paid meters installed	6 027	5 443
WATER		
Number of consumers (Commercial & Residential)	10 720	10 750
Units sold	2 029 827	3 897 093
Cost per kl sold	R 2.42	R 1.66
Units distributed as a free basic service kl per annum	771 840	771 870
SEWERAGE AND SANITATION		
Number of consumers	10 720	11 601
Flush toilets connected to a public sewerage system	8 985	9 249
GENERAL STATISTICS		
Population	45 600	46 512
Surface area in hectares	52 730	52 730
Valuation of taxable and non-taxable property		
Number of employees	259	291